

Maryland Health Care Commission – Nursing Homes and Assisted Living Facilities – Audit

Sponsors: Delegate Kerr and Senator Kelley

HB 747

Maryland Nursing Home Annual Audit Report gives decision-makers the necessary tools to implement policy reforms that will help meet the long-term care needs of Maryland's families.

This legislation directs the State to conduct an annual audit of cost trends and financial performance of all Maryland nursing facilities on an institution-specific, ownership group, and industry-wide basis. This bill also directs the State to conduct regular worker surveys as key quality measures.

Problem: At a time when the demand for long term care is growing, the COVID-19 pandemic tragically highlighted quality-of-care issues that have long plagued Maryland's nursing homes.

- Frontline 1199SEIU workers experienced firsthand the pandemic's disproportionate impact on nursing home residents, the caregiving staff of those homes, and the communities where we both live and serve.¹
- The nursing home industry has been marked by rapid change that can directly impact quality of care. For example, the Maryland Department of Health's Office of Health Care Quality (OHCQ) reports that the state's nursing home industry had 27 change-of-ownerships in FY 2020 and 24 in FY 2021. OHCQ anticipates ten nursing home change of ownerships in FY 2022.²
- Meanwhile, the documented shortages of nursing home workers require decision-makers to explore ways to support recruitment and retention of workers. However, stakeholders do not have a clear understanding of the finances of this often-opaque industry.
- When compared to our ability as a State to respond to needs of stakeholders in our hospital industry, legislators and decision-makers do not have the information needed for long-term care planning. The State currently lacks a clear financial analysis of nursing homes.
- Maryland's nursing homes are a critical piece of our healthcare infrastructure, providing nearly 30,000 beds to residents. While these facilities provide detailed cost reports to the Centers for Medicare & Medicaid Serviced and the State, no one in the State is currently charged with providing the kind of detailed financial analysis of the industry that would assist decision-makers such as our legislature.³
- At the same time, the need for long term care is growing among Maryland families. In 2018, two years before the COVID-19 pandemic, PHI projected the need for a 40% increase in direct care staff to address the needs of Maryland's aging population.⁴

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Solution: This legislation gives Maryland's decision-makers the necessary tools to implement policy reforms that will help meet the growing long term care needs of Maryland's families.

- This bill mandates an annual audit that concentrates on revenue from services, trends in facility utilization, affiliations of nursing homes with healthcare providers, areas of spending, and feedback from the nursing home workforce.
- Regular audits, as we have come to expect for our state's hospitals, would benefit legislators and policy makers and would also provide transparency for advocates seeking to improve quality of care.
- Reporting trends and financial performance across all Maryland nursing facilities on an institution-specific, ownership group, and industry-wide basis would assist decision-makers in stabilizing our state's long-term care industry.

¹ <https://coronavirus.maryland.gov/pages/hcf-resources>

² 2021 Annual Report of The Oversight Committee of Quality of Care in Nursing Homes and Assisted Living Facilities.

³ <https://health.maryland.gov/mmcp/longtermcare/pages/Nursing-Home-Services.aspx>

⁴ DSWorkers-Maryland-2018-PHI (1).pdf

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